

# Federal Communications Commission

# Consumer Alert

## Cell Phone Fraud

Cellular fraud (cell fraud) is defined as the unauthorized use, tampering, or manipulation of a cellular phone or service. At one time, cloning of cellular phones accounted for a large portion of cell fraud. As a result, the Wireless Telephone Protection Act of 1998 expanded prior law to criminalize the use, possession, manufacture or sale of cloning hardware or software. Currently, the primary type of cell fraud is subscriber fraud. The cellular industry estimates that carriers lose more than \$150 million per year due to subscriber fraud.

### What Is Subscriber Fraud?

Subscriber fraud occurs when someone signs up for service with fraudulently-obtained customer information or false identification. Lawbreakers obtain your personal information and use it to set up a cell phone account in your name.

Resolving subscriber fraud could develop into a long and difficult process for victims. It may take time to discover that subscriber fraud has occurred and an even longer time to prove that you did not incur the debts. Call your carrier if you think you have been a victim of subscriber fraud.

### What Is Cell Phone Cloning Fraud?

Every cell phone is supposed to have a unique factory-set electronic serial number (ESN) and telephone number (MIN). A cloned cell phone is one that has been reprogrammed to transmit the ESN and MIN belonging to another (legitimate) cell phone. Unscrupulous people can obtain valid ESN/MIN combinations by illegally monitoring the radio wave transmissions from the cell phones of legitimate subscribers. After cloning, both the legitimate and the fraudulent cell phones have the same ESN/MIN combination and cellular systems cannot distinguish the cloned cell phone from the legitimate one. The legitimate phone user then gets billed for the cloned phone's calls. Call your carrier if you think you have been a victim of cloning fraud.

### Summary

Remember, to prevent subscriber fraud, make sure that your personal information is kept private when purchasing anything in a store or on the Internet. Protecting your personal information is your responsibility. For cell phone cloning fraud, the cellular equipment manufacturing industry has deployed authentication systems that have proven to be a very effective countermeasure to cloning. Call your cellular phone carrier for more information.

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